

REPORT OF THE CONDITION OF THE FINANCIAL INSTITUTION PUBLISHED PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTIONS ACT, 2006.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

	BANK CURRENT QUARTER 30/06/2019	GROUP CURRENT QUARTER 30/06/2019	BANK PREVIOUS QUARTER * 31/03/2019	GROUP PREVIOUS QUARTER * 31/03/2019
A ASSETS				
1 Cash	-	2,603	-	3,275
2 Balances with Bank of Tanzania	108	30,776	108	39,707
3 Investments in Government Securities	33,834	58,675	33,344	57,433
4 Balances with Other Banks and financial institutions	3,425	15,709	6,905	16,724
5 Cheques and Items for Clearing	-	51	-	14
6 Interbranch float items	-	-	-	-
7 Bills Negotiated	-	-	-	-
8 Customer Liability on Acceptances	-	-	-	-
9 Interbank Loans receivables	-	-	-	-
10 Investments in other Securities	-	520	-	520
11 Loans, Advances and Overdrafts (Net of Allowances for Probable Losses)	461,019	648,377	477,129	668,193
12 Other Assets	80,212	92,213	77,986	91,049
13 Equity Investments	55,726	18,630	55,756	18,300
14 Underwriting accounts	-	-	-	-
15 Property Plant and Equipment	490	5,896	608	5,704
16 TOTAL ASSETS	634,814	873,448	651,835	900,921
B. LIABILITIES				
17 Deposits from Other Banks and Financial Institutions	129,357	83,338	142,857	89,719
18 Customer Deposits	201,828	460,180	206,684	454,759
19 Cash Letters of Credit	-	18,349	-	42,496
20 Special deposits	-	-	-	-
21 Payment Order/Transfers Payable	-	36	-	41
22 Bankers' Cheques and Drafts Issued	-	85	-	-
23 Accrued Taxes and Expenses Payable	17,658	20,293	16,238	19,478
24 Acceptances Outstanding	-	-	-	-
25 Inter Branch Float items	-	-	-	-
26 Unearned income and other deferred charges	973	1,531	899	1,547
27 Other Liabilities	2,771	4,129	2,873	6,351
28 Borrowings	56,298	56,298	58,008	58,008
29 TOTAL LIABILITIES	408,885	644,238	427,559	672,398
30 NET ASSETS /LIABILITIES	225,929	229,210	224,277	228,523
C. SHAREHOLDERS' FUNDS AND RESERVES				
31 Paid Up Share Capital	219,138	219,138	219,138	219,138
32 Capital Reserves	-	-	-	-
33 Retained Earnings	(117,804)	(120,243)	(108,923)	(111,073)
34 Profit (Loss) Account	1,652	1,341	65	430
35 Other capital accounts	122,943	128,975	113,997	120,028
36 Minority interest	-	-	-	-
37 TOTAL SHAREHOLDERS' FUNDS AND RESERVES	225,929	229,210	224,277	228,523
38 Contingent Liabilities	34,003	95,693	32,041	163,288
39 Non Performing Loans and Advances	285,185	341,881	275,554	330,367
40 Allowances for Probable Losses	93,381	97,725	96,956	101,035
41 Other Non Performing Assets	8,136	8,220	7,861	7,950
D. SELECTED FINANCIAL CONDITION INDICATORS	%	%	%	%
i Shareholders Funds to Total Assets	36%	26%	34%	25%
ii Non Performing Loans to Total Gross Loans	43%	46%	33%	27%
iii Gross Loans and Advances to Total Deposits	31%	113%	31%	113%
iv Loans and Advances to Total Assets	73%	74%	73%	74%
v Earning Assets to Total Assets	87%	83%	87%	83%
vi Deposit Growth	-5%	0%	-6%	-5%
vii Asset Growth	-3%	-3.0%	-2%	1%

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2019

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REGULATORY RESERVE	GENERAL PROVISION RESERVE	OTHERS	TOTAL
GROUP							
CURRENT YEAR							
Balance at the beginning of the year (Jan 2019)	219,138	-	(119,773)	116,468	791	8,288	224,912
Profit for the year	-	-	1,115	-	-	-	1,115
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(25,672)	25,672	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	24,087	-	-	(20,904)	3,183
Balance at the end of the current period (30th June 2019)	219,138	-	(120,243)	142,140	791	(12,616)	229,210
PREVIOUS YEAR							
Balance at the beginning of the year 2018	202,138	-	(100,769)	116,468	791	11,781	230,409
Profit for the year	-	-	(17,080)	-	-	-	(17,080)
Other Comprehensive Income	-	-	(177)	-	-	(4,304)	(4,481)
Transactions with owners	17,000	-	-	-	-	-	17,000
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	(1,747)	-	-	811	(936)
Balance at the end of the current period (31st Dec 2018)	219,138	-	(119,773)	116,468	791	8,288	224,912
BANK							
CURRENT YEAR							
Balance at the beginning of the year Jan 2019	219,138	-	(92,198)	82,611	-	14,661	224,211
Profit for the year	-	-	1,652	-	-	-	1,652
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(25,672)	25,672	-	-	0
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	66	-	-	-	66
Balance at the end of the current period (30th June 2019)	219,138	-	(116,153)	108,282	-	14,661	225,929
PREVIOUS YEAR							
Balance at the beginning of the year 2018	202,138	-	(99,512)	113,524	-	14,677	230,826
Profit for the year	-	-	2,578	-	-	-	2,578
Other Comprehensive Income	-	-	988	-	-	(16)	972
Transactions with owners	17,000	-	-	-	-	-	17,000
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	34,119	(34,119)	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Impact of IFRS 9 adoption (Net of Tax)	-	-	(30,371)	-	-	-	(30,371)
Others	-	-	-	3,206	-	-	3,206
Balance at the end of the current period (31st Dec 2018)	219,138	-	(92,198)	82,611	-	14,661	224,211

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30TH JUNE 2019

(Amounts in million Shillings)	BANK CURRENT QUARTER 30/06/2019	GROUP CURRENT QUARTER 30/06/2019	BANK COMPARATIVE QUARTER 30/06/2018	GROUP COMPARATIVE QUARTER 30/06/2018	BANK CURRENT YEAR CUMULATIVE 30/06/2019	GROUP CURRENT YEAR CUMULATIVE 30/06/2019	BANK COMPARATIVE YEAR CUMULATIVE 30/06/2018	GROUP COMPARATIVE YEAR CUMULATIVE 30/06/2018
E.								
1 Interest Income	19,589	25,580	22,985	29,998	40,045	53,346	45,862	59,258
2 Interest Expense	(4,234)	(6,787)	(8,673)	(11,651)	(14,896)	(19,899)	(18,122)	(24,506)
3 Net Interest Income	15,355	18,792	14,312	18,347	25,149	33,447	27,740	34,753
4 Bad Debts Written Off	(6,819)	(6,819)	(49)	(49)	(6,866)	(6,866)	(154)	(154)
5 Impairment losses on loans and Advances	(326)	(591)	(4,815)	(4,578)	(5,727)	(6,488)	(7,385)	(8,482)
6 Non Interest Income	117	1,544	888	2,949	600	4,227	2,964	6,700
6.1 Foreign currency Dealings and Translation Gain/(Loss)	(166)	296	40	523	36	1,674	75	840
6.2 Fees and Commissions	94	950	319	1,575	258	2,052	942	3,324
6.3 Dividend Income	-	-	-	-	-	-	-	-
6.4 Other operating income	189	297	529	851	306	501	1,947	2,537
7 Non Interest Expense	(5,967)	(11,879)	(5,261)	(10,719)	(10,703)	(22,534)	(10,041)	(21,189)
7.1 Salary and benefits	(3,500)	(6,873)	(3,394)	(6,403)	(6,933)	(13,585)	(6,513)	(12,573)
7.2 Fees and Commissions	-	(79)	-	(150)	-	(222)	-	(296)
7.3 Other operating expenses	(2,467)	(4,927)	(1,867)	(4,165)	(3,771)	(8,728)	(3,527)	(8,319)
8 Operating Income/(Loss) before Tax	2,360	1,047	5,075	5,950	2,452	1,785	13,124	11,628
9 Income Tax Provision	(708)	(362)	(1,522)	(1,522)	(736)	(670)	(3,937)	(3,488)
10 Net Income/(Loss) after Income Tax	1,652	686	3,552	4,428	1,716	1,115	9,187	8,140
11 Other Comprehensive Income (Itemize)	-	-	-	-	-	-	-	-
12 Total comprehensive income/(loss) for the year	1,652	686	3,552	4,428	1,716	1,115	9,187	8,140
13 Number of employees	167	306	145	263	167	306	145	263
14 Basic Earnings per share	8	(380)	18	30	8	4	45	(8)
15 Number of branches	-	6	-	5	-	5	-	5
F. SELECTED PERFORMANCE INDICATORS	%	%	%	%	%	%	%	%
(i) Return on Average Total Assets	0%	0%	1%	1%	0%	0%	2%	1%
(ii) Return on Average Shareholders Fund	1%	0%	2%	2%	1%	1%	6%	5%
(iii) Non Interest Expense to Gross Income	30%	44%	22%	33%	26%	39%	21%	32%
(iv) Net Interest Income to Average Earning Assets	3%	3%	2%	2%	4%	4%	4%	4%

CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30TH JUNE 2019

(Amounts in million Shillings)	Bank For the Quarter Ended 30/06/2019	Group For the Quarter Ended 30/06/2019	Bank For the Quarter Ended * 31/03/2019	Group For the Quarter Ended * 31/03/2019	Bank Current Year Cumulative 30/06/2019	Group Current Year Cumulative 30/06/2019	Bank Comparative year Cumulative 30/06/2018	Group Comparative year Cumulative 30/06/2018
I: Cashflow from operating activities								
Net Income/(Loss)	2,360	1,047	682	1,328	2,452	1,785	13,124	11,628
Adjustments for:								
Impairment/Amortisation	779	1,441	4,508	5,401	5,829	7,384	(7,539)	(5,673)
Net change in Loans and Advances	15,784	19,225	20,337	20,760	36,016	40,146	(16,981)	(41,418)
(Gain)/Loss on sale of Assets	-	-	-	-	-	-	-	-
Net change in Deposits	(18,356)	(29,925)	(8,457)	(55,904)	(29,069)	(89,085)	(23,685)	2,863
Net change in Short term Negotiable Securities	-	(2,289)	-	(6,697)	-	(8,980)	(3,113)	(17,296)
Net change in other liabilities	1,318	1,294	(795)	(1,370)	602	(685)	8,930	9,056
Net change in other Assets	(2,687)	(4,735)	(1,180)	(3,061)	(3,737)	(6,281)	11,447	7,280
Tax paid	-	(57)	-	(4)	-	(6)	-	(10)
Other - Net change in deferred income	74	74	(13)	(13)	61	61	-	-
- Net change in SMR	-	(1,274)	-	5,581	-	4,307	-	853
- Net change in Placement over 90 days	-	19,765	-	4,655	-	24,420	-	-
Net cash provided (used) by operating activities	(729)	4,566	15,082	(29,324)	12,154	(26,934)	(17,817)	(32,717)
II: Cash flow used in investing activities								
Dividend Received	32	32	-	-	-	-	-	-
Purchase of Fixed Assets	(14)	(270)	-	(72)	(78)	(430)	(68)	(201)
Proceeds from Sale Of Fixed Assets	-	-	-	-	-	-	-	-
Purchase of non-dealing securities	-	-	-	-	-	-	-	-
Proceeds from sale of non-dealing securities	-	-	-	-	-	-	-	-
Others: Investment in Equity	-	-	-	-	-	-	6,936	6,979
Net cash provided (used) by investing activities	18	(238)	-	(72)	(78)	(430)	<	